

MARYLAND LOTTERY AND GAMING CONTROL COMMISSION FEBRUARY MINUTES

DATE: February 23, 2023

TIME: 10:00 a.m.

PLACE: Maryland Lottery Headquarters
1800 Washington Boulevard, Ste. 330, Baltimore, MD 21230
and via teleconference

PRESENT: Chair E. Randolph Marriner
Vice Chair George L. Doetsch, Jr.
Commissioner F. Vernon Boozer
Commissioner Diane M. Croghan (via teleconference)
Commissioner Harold E. Hodges (via teleconference)
Commissioner James J. Stakem
Commissioner Jerry Williams (via teleconference)

John Martin, Director
James Nielsen, Deputy Director, Chief Operating Officer
James Butler, Assistant Deputy Director, Chief of Staff
James Logue, Managing Director, Gaming
John Mooney, Managing Director, Regulatory Oversight
Solomon Ramsey, Managing Director, Sales and Marketing
Paula Yocum, Managing Director, Chief Financial Officer
Seth Elkin, Acting Managing Director, Communications
Holly Citko, Principal Counsel, Attorney General's Office
Jennifer Tosky, Deputy Counsel, Attorney General's Office
Kathy Lingo, Executive Assistant

OTHERS: Representative from Hollywood Casino Perryville
Representative from Ocean Downs Casino
Representative from Live! Casino
Representative from Rocky Gap Casino Resort
Representative from Horseshoe Casino Baltimore
Representative from MGM National Harbor
MLGCA Staff

QUORUM ESTABLISHED

Chair Marriner announced that there was a quorum present for the meeting. Also present in person were Vice Chair George Doetsch, and Commissioners Vernon Boozer, and James Stakem. Commissioners Diane Croghan, Harold Hodges and Jerry Williams were present via teleconference.

CALL TO ORDER

Chair Marriner called the meeting of the Maryland Lottery and Gaming Control Commission to order at 10:00 a.m.

APPROVAL OF THE AGENDA

Chair Marriner reported that the Commissioners were provided with a copy of the agenda. Chair Marriner asked for a motion to approve the agenda. Commissioner Stakem motioned to approve, Commissioner Boozer seconded, and the motion was unanimously approved.

APPROVAL OF THE MINUTES

Chair Marriner asked if there were any changes to the minutes of the January 26, 2023, Open Session. There being none, he asked for a motion to approve the minutes. Commissioner Williams motioned to approve, Commissioner Stakem seconded, and the motion was unanimously approved.

CONSENT AGENDA

Chair Marriner said the Consent Agenda contains three new instant ticket games for the Commission's approval: #639 (\$3) *Diamond Bingo 4th Edition*; #640 (\$5) *Cash Multiplier*; and #641 (\$10) *Ultimate Cash*; EGD Games and Component Testing Certified Lab Software, Hardware and Game Certifications for VLTs, Table Game Components, and Instant Bingo Machines (1/12/23 – 2/9/23); Consent Agreements for Regulatory Violations – Horseshoe Casino – October 2022; Ocean Downs Casino – October 2022; Consent Agreements for Underage Violations – Hollywood Casino – Case No. 2022-01 to -03; Live! Casino – Case Nos. 2022-03-014 to -021; MGM National Harbor – Case Nos. 2022-06-002, -003 and -004; Ocean Downs Casino – Case Nos. 2022-02-001 and -002; 2022-02-003, -004 and -005; and Rocky Gap Casino – Case Nos. 2022-04-001 and -002; Gaming License Application Denials/Revocations; and Staff Reports from James Nielsen, Deputy Director, Chief Operating Officer; James Butler, Assistant Deputy Director, Chief of Staff; James Logue, Managing Director, Gaming; John Mooney, Managing Director, Regulatory Oversight; Solomon Ramsey, Managing Director, Sales and Marketing; Paula Yocum, Managing Director, Chief Financial Officer; Seth Elkin, Acting Managing Director, Communications; and Holly Citko, Principal Counsel, Office of the Attorney General.

Chair Marriner asked if any Commissioners cared to pull any items out of the Consent Agenda. There being no discussion or requests, Chair Marriner asked for a motion to approve the consent agenda. Vice Chair Doetsch motioned to approve, Commissioner Boozer seconded, and the motion was unanimously approved.

OPERATOR REPORTS

Hollywood Casino

Ms. Amy Brennan, General Manager, reported that Hollywood's January revenues for slot machines, table games and poker were up, with a slight decline in the sportsbook due to online wagering. In February, the casino's gross gaming revenue is relatively flat compared to last year. The casino held promotions and giveaways for New Year's Day and weekly promotions for veterans. Ms. Brennan said a Super Bowl Sunday event in the Barstool Sportsbook was sold out, and that various other events being held in the sportsbook are successfully drawing younger customers between the ages of 21 and 34 to the sportsbook. The casino is also holding events for team members and is having executives spend time working alongside team members to better understand their job challenges. Hollywood participated in a January event, "Winter Nights, Cecil Lights 2023", with the Chamber and Cecil County Tourism that aimed to help highlight local businesses. The casino also supported a Parkinson's Disease charity and is an official supporter of the Steppingstone Museum.

Chair Marriner asked about Hollywood's "new neighbor," referring to the Great Wolf Lodge, which is under construction and adjacent to the casino. Ms. Brennan said she recently toured the facility and reported that its opening date has been moved up to July 15, 2023.

Ocean Downs Casino

Ms. Bobbi Sample, General Manager, reported that overall gaming revenue in January was up 41% compared to last year. She noted that while it was a strong month, the substantial year-over-year increase resulted from Ocean Downs not paying any table game tax in January 2022, due to an overpayment of table game tax that had been previously identified. Slot machine revenue was up 28% year-over-year, with coin-in up 23.4% and hold up slightly. Ms. Sample said that without the impact of the table games tax adjustment, table game drop was up 5.2% year-over-year, and revenue was up 16.2% because the hold was higher. Sports wagering handle was down 13% year-over-year, with online wagering playing a factor. Taxable win was 43% less because the hold was less, but Ms. Sample added that given the impact of online wagering, the results were better than anticipated. Mild weather during January made for a favorable comparison to January of 2022, when it snowed seven days and forced Ocean Downs to close for a period of 16 hours. In February, Ocean Downs is continuing its series of monthly charity slots tournaments by partnering with the Art League of Ocean City. Participants buy in for \$20, which is given to the charity and the top three finishers receive free slot play. This year is the Art League's 60th Anniversary. It includes a gallery, artist studios and offers art classes and a summer art camp program. Ocean Downs is also partnering with the Art League on a film festival and a March 4 appearance at the casino by filmmaker and Baltimore native John Waters. Ocean Downs is planning an event to honor team members, including its team members and leaders of the year.

Live! Casino

Mr. Ryan Eller, General Manager, reported that January gaming revenue was \$59.3 million, up 4.3% year-over-year. Slots were \$41.6 million, up 14.4%. Table games and poker combined, finished at \$17.3 million, down 7.2% compared to January 2022. Retail sportsbook revenue was \$400,000 in January on \$6.3 million in handle, a hold of 5.7%, down as a result of online wagering. The Live!/FanDuel online sportsbook saw \$209 million in handle during January. Live! had a Korean concert that was attended by more than 3,000 guests. The casino also offered a variety of programming to celebrate the Lunar New Year. Live! held weekly virtual hiring events and conducted more than 300 interviews and served free meals for more than 3,000 team members.

The casino sponsored a Martin Luther King Jr. Awards Dinner, and employees volunteered with a United Way of Central Maryland effort to assist area homeless.

Chair Marriner asked Mr. Eller about Live!'s recent acquisition of an adjoining parcel of land asking whether Live! had growth plans. Mr. Eller replied that it is in a speculative phase regarding the potential for an expanded footprint. Mr. Eller said Live! is interested in developing integrated entertainment destinations in various locations around the country, and that it is still evaluating its options for additional amenities at Live! Casino in Maryland.

Rocky Gap Casino

Mr. Brian Kurtz, General Manager, reported that gaming revenues in January were a little more than \$5 million, up 17% year-over-year, or \$729,000. Slot revenues were up 21.5%, driven by a coin-in increase of about 20%. Table game revenue decreased 10.6%, but drop increased 4.3%, so the decrease was the result of less-advantageous hold year-over-year. Mr. Kurtz said milder weather as compared to January 2022 provided a boost. Hotel occupancy was up 8%, and food and beverage revenue was up 27% compared to last January. Rocky Gap had numerous promotions including Carnival Cruise giveaways. The casino engaged in a charitable partnership with the Allegany County Animal Shelter in January and February. The casino had sold out comedy shows in January. Mild weather has continued to be beneficial for the resort, allowing for golfers to play 400 rounds of golf during February. Mr. Kurtz noted that golfers usually visit the casino as well.

Horseshoe Casino

Mr. Randy Conroy, Vice President and General Manager, reported that slots revenue in January was \$11.8 million, up 17%, or \$1.7 million, year-over-year. Table games were off slightly at \$5.8 million, down 3%. Retail sportsbook revenues have declined with the launch of online wagering, but Horseshoe saw \$85,000 in revenue with 4.3% hold compared to nearly 18% hold last year. The casino hosted events to celebrate the Lunar New Year, and held a Super Bowl party. Mr. Conroy noted that from a betting standpoint, the Super Bowl turned out relatively even. The casino held a Mercedes SUV giveaway, the largest vehicle Horseshoe has ever given away. The casino has made improvements to its employee dining room, and all team members will be participating in compliance training on various topics. Horseshoe hosted an event on February 20 for the Presidents of the Central Intercollegiate Athletic Association ("CIAA") colleges and universities, who were in Baltimore for the 2023 CIAA basketball tournament. Mr. Conroy noted that the casino is continuing to work with the City of Baltimore to make improvements to Warner Street.

MGM National Harbor

Mr. Efrain Perez Agosto, Vice President and Chief Financial Officer, reported that gaming revenue in January was \$72 million, up 8% year-over-year. Slot revenues were up 21%, while table game revenue was down 9% partly due to hold. Poker revenue was stronger than last year, up 34%, as the casino was able to have all of its poker tables open. The sportsbook wrote 61,000 tickets in January for a total of \$7.4 million in handle, down 28% on the retail side compared to last year, but hold was strong. MGM had its first full month of operations for its recent outdoor expansion project. An indoor expansion project is scheduled to be completed by the end of this quarter. The casino held an event for the Lunar New Year, and hosted various entertainment shows in its theater. Mr. Agosto noted that the casino began last year with about 75% of the staffing level, and it is now at more than 90% of its staffing needs. MGM staff participated with the Chinese

Consolidated Benevolent Association in a Lunar New Year parade and helped to package food for those in need.

DIRECTOR'S REPORT

Director's Report — John Martin, Director

Director Martin said the Lottery began the second half of Fiscal Year 2023 during a jackpot roll, as a \$1.3 billion Mega Millions jackpot was won on January 13 on a ticket sold in Maine. It was the seventh time in Mega Millions history that the jackpot was won in a drawing held on Friday the 13th. It also was the first of four times that the Mega Millions jackpot was won during January 2023, marking the first time that four jackpot wins occurred in the same calendar month. The Maryland Lottery introduced its first \$50 scratch-off ticket on February 20, with a top prize of \$5 million. Fiscal-year-to-date Lottery sales are up 5.6% year-over-year, with profit up 9.4%. Director Martin added that the Lottery is on pace to exceed its sales goal of \$2.7 billion for the fiscal year. Year-to-date casino revenue is up 5.4% year-over-year, with contributions to the State up 1.7%. Sports wagering handle for the fiscal year is \$1.26 billion, with contributions to the State at \$5.8 million. Director Martin noted that March is Problem Gambling Awareness Month, and that Maryland Lottery and Gaming works to educate its employees and players in every aspect of the gaming business. He added that free resources are available by calling 1-800-GAMBLER.

CLOSED SESSION

There was no need for the Commission to go into a closed session.

DATE AND TIME OF NEXT MEETING

The next regular Commission meeting will be held on Thursday, March 23, 2023, at 10:00 a.m., in-person at Maryland Lottery and Gaming headquarters in Baltimore and via audio/video conference.

ADJOURNMENT

There being no further business, Chair Marriner adjourned the meeting at 10:29 a.m.

Respectfully submitted,


John Martin
Director